

AMENDED IN SENATE JULY 5, 2011

AMENDED IN SENATE JUNE 21, 2011

CALIFORNIA LEGISLATURE—2011–12 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 3

Introduced by Senator La Malfa

(Coauthors: Senators Alquist, Berryhill, Blakeslee, Calderon, Cannella, Correa, Dutton, Emmerson, Gaines, Harman, Huff, Rubio, Runner, Strickland, Vargas, Walters, Wright, and Wyland)

(Coauthors: Assembly Members Achadjian, Bill Berryhill, Chesbro, Conway, Donnelly, Galgiani, Grove, Halderman, Harkey, Huber, Jones, Knight, Morrell, Nestande, Nielsen, Olsen, Silva, Smyth, and Wagner)

April 12, 2011

An act to add *and repeal* Article 20 (commencing with Section 18895) ~~to~~ of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 3, as amended, La Malfa. Personal and corporation taxes: voluntary contribution: Help Our State Fund.

The Personal Income Tax Law allows individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would, until January 1, 2016, allow a taxpayer to designate on a tax return that a specified amount in excess of his or her tax liability be deposited into the General Fund.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 20 (commencing with Section 18895) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4
5 Article 20. Help Our State Fund
6

7 18895. (a) Any individual may designate on the tax return that
8 a contribution in excess of the tax liability, if any, shall be
9 deposited in the General Fund. That designation is to be used as
10 a voluntary contribution on the tax return.

11 (b) The contributions shall be in full dollar amounts and may
12 be made individually by each signatory on a joint return.

13 (c) A designation under subdivision (a) shall be made for any
14 taxable year on the original return for that taxable year, and once
15 made shall be irrevocable. If payments and credits reported on the
16 return, together with any other credits associated with the
17 individual's account, do not exceed the individual's tax liability,
18 the return shall be treated as if a designation has not been made.

19 (d) If an individual designates a contribution to more than one
20 account or fund listed on the tax return, and the amount available
21 is insufficient to satisfy the total amount designated, the
22 contribution shall be allocated among the designees on a pro rata
23 basis.

1 (e) For taxable years *beginning* on or after January 1, 2011, the
2 Franchise Tax Board shall revise the form of the tax return to
3 include a space labeled “Help Our State Fund” to ~~allow~~ *allow* for the
4 designation permitted under subdivision (a). The form shall include
5 in the instructions information that the contribution may be in the
6 amount of one dollar (\$1) or more and that the contribution shall
7 be used to support the state government’s general operations,
8 including education, public safety, and other important programs.

9 (f) A deduction shall be allowed under Article 6 (commencing
10 with Section 17201) of Chapter 3 of Part 10 for any contribution
11 made pursuant to subdivision (a).

12 (g) This article shall remain in effect only until January 1, 2016,
13 and as of that date is repealed.

14 (h) Notwithstanding the repeal of this article, any contribution
15 amounts designated pursuant to this article prior to its repeal shall
16 continue to be transferred and disbursed in accordance with this
17 article as in effect immediately prior to that repeal.

18 SEC. 2. This act addresses the fiscal emergency declared and
19 reaffirmed by the Governor by proclamation on January 20, 2011,
20 pursuant to subdivision (f) of Section 10 of Article IV of the
21 California Constitution.